Grow your super

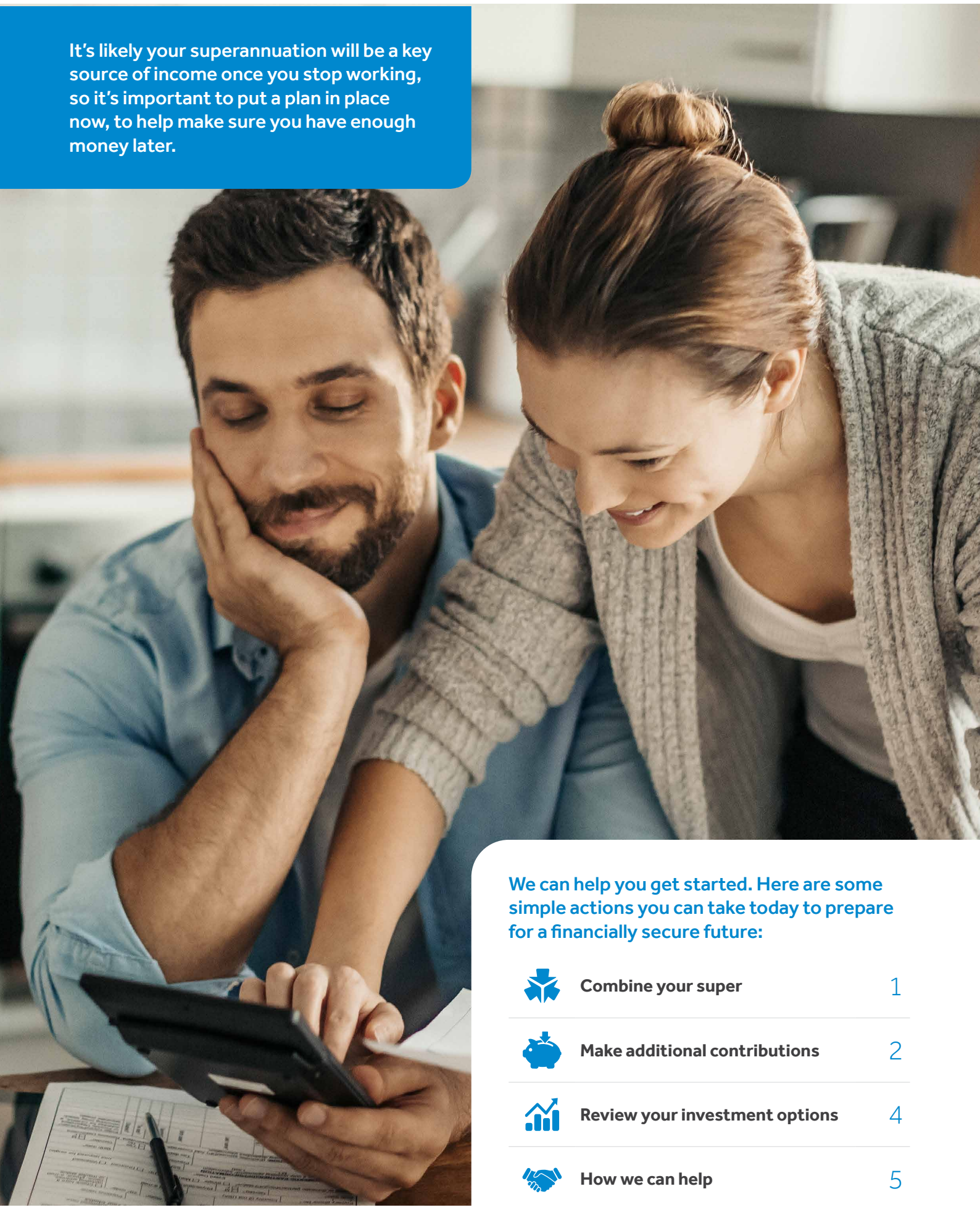
Issued 1 July 2023

qsuper.qld.gov.au

QSuper

Part of Australian Retirement Trust

It's likely your superannuation will be a key source of income once you stop working, so it's important to put a plan in place now, to help make sure you have enough money later.



We can help you get started. Here are some simple actions you can take today to prepare for a financially secure future:

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Combine your super

Do you know if you have any other super? Chances are you've had more than one employer, and this can mean you have more than one superannuation account as well. Multiple super accounts can make it difficult to keep track of your super and you could also be paying multiple fees across funds.

The QSuper online tool lets you transfer money you have with other super funds to us. Log in to **Member Online** to combine your super.

Before you consolidate your super, please consider if the timing is right and if you will lose access to benefits such as insurance or pension options, or if there are tax implications.

Consolidating your super means all of your retirement savings are invested together making it easier to keep an eye on how your super is growing for retirement.

Benefits of consolidating

Reduce fees

Having your super in one account could mean paying fewer fees.

Reduce paperwork

One super account means one annual statement.

Keep track of your super

One super account may make your super easier to manage.

Avoid excess insurance premiums

One super account reduces your chance of paying multiple insurance premiums.

Make additional contributions

Your super is invested daily, and any earnings are also invested so you get interest on your interest, known as compound interest.[1]

Any additional contributions, whether big or small, have the potential to make a positive difference to your super and could even be a tax-effective way to save for retirement.

For example, by contributing just $20 per week, after 30 years, you could have over $40,000.[2] That's more than $10,000 of earnings just from compound interest, assuming a real return of 2%. As more years pass, an increasingly larger proportion of the final amount is made up of earnings.

There are many ways you can add to your super, in addition to the contributions from your employer.

Ways to voluntarily contribute money

Before-tax (concessional) contributions

Before-tax contributions are those made to super before any income tax is paid. A common way for employees to do this is via salary sacrifice.

Salary sacrifice is a before-tax contribution you can make where you arrange with your employer to make contributions from your pay before it's taxed. When paid to super, these contributions are taxed on entry to the fund at 15%. This means making these contributions could grow your super and potentially reduce the amount of income tax you pay at the same time.

If your income plus concessional contributions are more than $250,000 per year, different tax rules apply. Refer to the **Personal Contributions Guide** for further information.

Claiming a tax deduction

If you have made after-tax contributions, you may be able to claim a tax deduction by lodging a **Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions** form to deduct 15% tax from all or part of the contributions you have made in a financial year. This could reduce the amount of income tax you pay depending on your marginal tax rate. Once the 15% tax is deducted the contribution is then classified as a before-tax (concessional) contribution.

After-tax (non-concessional) contributions

After-tax contributions can be made from any money where personal income tax has already been paid. These contributions could be regular payments from your bank account or as a lump sum, such as from the sale of a property, or an inheritance.

Government co-contribution

If you're a low or middle-income earner and make after-tax contributions to your super fund, the Commonwealth Government may also contribute (called a co-contribution) up to a maximum amount of $500 if you meet the eligibility requirements. Refer to our **Personal Contributions Guide** for further information.

Spouse contribution

Your spouse can also make after-tax contributions to your super account. Not only does this help grow your super, your spouse could be entitled to a tax offset.

Downsizer contribution

From 1 January 2023, if you are over age 55 and sell your home you may be able to contribute up to $300,000 to your super, or up to $600,000 ($300,000 each) if you have a spouse. Eligibility conditions do apply.

Please see our **Downsizer contribution factsheet** for further information

Before you contribute

Making additional contributions to your super can be a great way to grow your retirement savings, but there are limits to how much you can add in a financial year.

These are referred to as contribution caps. The caps for before and after-tax contributions are different and exceeding the caps may mean extra tax, so it pays to understand them. Also, any money you add to super generally must stay in there until you retire unless you meet certain early release conditions.

Before-tax contribution cap

From 1 July 2022 you can contribute up to $27,500 before-tax into super in a financial year which includes your salary sacrifice contributions, employer contributions, and personal contributions for which you have claimed a tax deduction.

1 Investment returns can be positive or negative and this does not guarantee a future outcome. **2** The figures are illustrative only and were calculated using the ASIC MoneySmart Superannuation calculator at moneysmart.gov.au, accessed 1 December 2021. Assumptions: The calculation assumes savings of $20 per week for a time period of 30 years. The calculation assumes the interest compounds annually. The interest rate assumed is 6% p.a. net of fees and taxes. The calculation assumes that earnings are reinvested. Results are shown in today's dollars, which means they are adjusted for inflation of 4% p.a. The information should not be used as a guide to future performance of any investment. Investment returns can be positive or negative and this does not guarantee a future outcome. Check with your chosen savings product provider in regard to actual interest calculations. The calculation provides an estimate of the future value of savings, which could vary significantly over time if any change is made to these assumptions. These figures are provided only to demonstrate the principle of compounding. They are not intended to represent projected earnings in a QSuper Accumulation account.

Carry-forward contributions

From 1 July 2018, if you don't use the entire before-tax contribution cap in a financial year, you can use the remaining amount in the following financial year. To be eligible to do this, your total superannuation balance at the end of the previous financial year must be less than $500,000. Any unused amounts of the cap will be carried forward on a rolling basis for five consecutive years.

Laila's story[1]

Laila has a total superannuation balance of $341,000 at 30 June 2022. In the 2020-21 financial year, the combined total of employer and salary sacrifice contributions to Laila's account is $10,000, so she has $15,000 of the cap remaining. In the 2021-22 financial year, her combined before-tax contributions are also $10,000, so she has another $17,500 remaining.[2] Laila's unused concessional contribution cap for those two financial years will be carried forward meaning her concessional contribution cap for the 2022-23 financial year will be $32,500 + $27,500 = $60,000.

After-tax contribution cap

The after-tax contributions cap for the 2023-24 financial year is $110,000, unless your total super balance is $1.9 million[3] or more at 30 June of the previous financial year, in which case your cap is nil.

Bring forward rule

If you are under age 75 at any time during the financial year[4] and have a balance of less than $1.68 million[5] at the end of June of the previous financial year, you can contribute up to $330,000 using the cap for the next two financial years. For balances between $1.68m and $1.79m, you can contribute up to $220,000 using the cap for the next financial year.

Walter's story[1]

Walter has just turned 63, has a superannuation balance of $800,000 and has just inherited $500,000. He would like to contribute as much of his inheritance as possible into super without going over the non-concessional contribution cap.

To be able to do this, Walter contributes $330,000 in this current financial year and triggers the bring forward rule using the cap for the next two financial years. This means he cannot make any more after-tax contributions in the current financial year or in the next two.

For further information about these contributions and the caps, refer to our **Personal Contributions Guide**.

1 Case studies are provided for illustrative and educational purposes only and the members shown are not real. Additionally, figures may be rounded for ease of understanding. Members should seek advice from a qualified licensed professional, regarding their own circumstances. **2** The concessional contribution cap increased from $25,000 to $27,500 from 1 July 2021. **3** This contribution cap increased from $1.7 million on 1 July 2023. **4** If you are already 67 years old or older when the financial year begins on 1 July, you cannot access the bring-forward arrangement in that financial year. **5** This limit was previously $1.48 million and has been indexed.

Review your investment options

How your super is invested could make a big difference to your retirement, so when deciding how to invest your super, there are a few things to think about:

- Do you have a wealth target in mind?
- What you would like to achieve?
- In what timeframe you would like to reach this target?
- How comfortable are you with investment risk?
- How actively involved do you want to be in investing your super?

Choose from our investment options

Select just one or a mix to suit your investment approach. QSuper Accumulation and Income accounts offer a range of investment options to choose from. You have access to our Lifetime default investment option, as well as our four different Diversified investment options, and four Single Sector options.

Lifetime[1]

Default investment option

Lifetime is a unique investment option that automatically personalises your investment strategy based on your age and Lifetime account balance, helping you get the most out of your super, at every stage of your life.[1]

Diversified

Make some decisions

If you want to make an active choice over how your super is invested, our Diversified options may suit you.

- Moderate
- Balanced
- Socially Responsible
- Aggressive

Single Sector

Mix your own investments

If you want to have a say about where your super is invested but don't want to be totally hands on, the Single Sector investment options could be for you.

- Cash
- Diversified Bonds
- International Shares
- Australian Shares

1 For Accumulation accounts only.

How we can help

With the right information, you can feel empowered to make informed decisions.

Take advantage of these member benefits

Make a plan with us today

If you're thinking about retirement or planning for it, we can talk you through options.

1300 360 750

Mon – Fri 8.00am to 6.00pm AEST.

Member seminars, webinars, and livestream events

Register online for one of our seminars created exclusively for our members to help you prepare for retirement and understand the options available.

qsuper.qld.gov.au/seminars

Guidance and support

You may want to seek personal financial advice to get the most from your superannuation.

You can find out more about financial advice options at **qsuper.qld.gov.au/financial-advice**

Online calculators

From retirement planning, to budgeting and saving, our financial calculators can help you plan your future.

qsuper.qld.gov.au/calculators

News and insights

Via our monthly newsletter and our website, we keep you updated on the things that can make a difference for you.

qsuper.qld.gov.au/news-hub

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Member Centres

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QCJUL23-197. 07/23